
TOWN OF ATHOL, MASSACHUSETTS



ECONOMIC DEVELOPMENT SUMMARY AND OUTLOOK 2014 – 2016

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Through a combination of strategic transportation infrastructure improvements, adherence to key economic development principles, and a local economy showing tangible signs of growth, the Town of Athol has a resurgent economic outlook expected to continue for the next several years.

Public and private investment in Athol from 2014 through 2016 is projected to exceed one hundred million (\$100,000,000) dollars including over 300,000 square feet of new commercial development, a completed renovation and expansion of the public library, construction of a new elementary school scheduled to open in the fall of 2016, a major expansion of Athol Hospital planned to break ground in 2016, and preliminary architectural plans for revitalize a 360,000 sf former mill in the heart of the downtown, together with several smaller commercial developments.

In sum, these projects have already created 140 new full- and part-time jobs, with over 250 more jobs expected to come in a region thirsty for economic growth. Primary job creators include:

- (1) the North Quabbin Commons (NQC) where roughly 140 new full and part-time positions were created within 140,000 square feet of new commercial development anchored by a Market Basket supermarket, a Marshall's outlet and Maurice's clothing store,
- (2) an additional 100 jobs expected with continued build-out at the NQC in 2016 with scheduled tenants to include a restaurant, smaller retailers and a potential theater complex,
- (3) over 120 new positions associated with a planned 54,000 square foot in-patient treatment center for substance abuse and behavioral health under development by Heywood Healthcare at the former Sister's of Assumption property on Route 32, just four miles from Athol in neighboring Petersham, and
- (4) several smaller, planned commercial developments at various sites including a quick serve restaurant, gas station and convenience store, and other commercial outlets.

The benefit to the Athol municipal corporation is multi-pronged as the Town will see substantial growth in the tax base (as well as a greater shift from residential to CIP taxpayers) together with over \$100,000 per year in new revenue associated with the local option meals excise which the Town adopted in 2015 and which is already providing dividends.

Further, a nascent development site immediately to the east of the NQC is expected to house a new medical office building, several commercial outlets and an 80-room hotel and conference center in the coming 24 month.

In addition to property tax revenue, the location of the hotel will provide the Town additional revenue through the local option room excise (six percent per room night) which was also enacted as part of the Town's financial reforms of 2015. Following are additional details on these developments.

North Quabbin Commons

The North Quabbin Commons is the primary economic development and job creation project currently underway in all of north central Massachusetts. The site is bounded by state Route 2 to the south, Route 2 interchange 18 to the east, Route 2A to the north and Route 32 to the west. The development has proximate access to Route 2 from exits 18 and 17 at each end of the site.

The Town had previously designated the 316-acre commercial-industrial property as a “Priority Development Site” under MGL c. 43D which facilitates prompt and efficient permitting through local boards and commissions. There are three distinct development areas which are also noted on the conceptual plan at the end of this report.

Phase 1: The current development is on Site 1 labeled “Market Basket / RMD”. Site work on the 71 acre phase is substantially complete. The anchor tenant, an 80,000 square foot Market Basket supermarket, was opened in 2015 to great fanfare. Discount retailer Marshall’s and women’s clothing store Maurice’s each opened for business in the fall of 2015 with a Foot Department outlet scheduled for an additional space in the facility. Private investment in the initial construction is estimated at over \$12 million with \$6.5 million in site work completed to date. Tenant negotiations for an additional 220,000 square feet are ongoing with restaurants, small retailers and a movie theater.

Phase 2: The second phase site is under agreement between the Athol Economic Development Industrial Corporation (EDIC) and Athol LLC. Bohler Engineering has developed concepts for retail and hotel use on this 35-acre site. The principals participated in financing installation of a looping water main through the primary access road that services both this development and the Market Basket site.

Initial discussions with a well-regarded hotel chain indicate that an 80-room project that includes a needed convention/meeting space would be supported by the region.

Phase 3: The third phase involves multiple ownership parcels, but, was re-zoned by the Town to commercial-industrial as part of the District Improvement Financing (DIF) program approval. There are 210 acres of land of which roughly 50 percent is considered buildable. This is an area for future growth.

The EDIC and Dept. of Planning and Development estimate private investment to total over \$18 million for the Phase 1 activities and over \$20 million for build-out of the Phase 2 concept.

To date there are 140 new jobs associated with the NQC and another 100 jobs are expected to be created through additional build-out in 2016. These positions will provide a significant boost to the local economy that will be further bolstered by the 120 positions planned at the Heywood Healthcare treatment center in nearby Petersham.

Transportation Infrastructure

Athol is served by state Route 2, the primary east-west highway through northern Massachusetts. State Routes 32 and 2A are key gateways to the community, and, each of these roads has been substantially upgraded or resurfaced in recent years.

Roughly 4.5 miles of Route 32 (Petersham Road) was fully reconstructed in 2012-2013 at a cost of nearly \$2.5 million. This road links Route 2 Interchange #17 north to Route 2A in Athol and is the road frontage for Heywood Healthcare’s planned treatment center in Petersham just four miles to the south.

Along Route 2A, an additional \$2.5 million in state funds supported the rehabilitation and widening of the roadway to service North Quabbin Commons. Private investment funded traffic signals at the Route 2 Interchange #18 and at the Route 2A entrance to the business park.

Remarkably, between FY14 and FY16 over ten million (\$10,000,000) dollars in transportation infrastructure investment – primarily in Athol – has been completed or is underway as detailed in the following table:

Town of Athol / MassDOT: Infrastructure Improvements FY14 – FY16			
Project Name	Summarized Scope of Work	Date	Est. Total Cost
West Royalston Road (Route 32) Reconstruction	Reclamation, widening, drainage, signage, markings and paving from Silver Lake St. to Royalston town line (2.0 miles)	Summer 2014	\$2.00 million
Templeton Road (Route 2A) Resurfacing	Mill existing pavement, replace signs and guard rail, berm repairs, markings and resurfacing from Petersham Rd. to Rt. 2 interchange 19 in Phillipston (4.0 miles)	Fall 2014	\$2.15 million
South Main Street (Route 2A) Resurfacing	Mill existing pavement, install concrete sidewalk w/ granite curb, and resurfacing from west of Miller’s River bridge to intersection with Route 202 (0.47 miles)	Summer 2014	\$350,000
Petersham Road (Route 32) Resurfacing	Mill existing pavement, replace sub-drains and drainage structures, signage, guard rails, berm and granite repairs, markings and resurfacing from the Route 2 / 32 bridge in Athol to north of Popple Camp Rd. in Petersham (4.5 miles)	Complete 2013	\$2.46 million
Partridgeville Road (Phase One)	Resurfacing and drainage improvements (3,600 lf)	Complete 2013	\$200,000
Gage Road	Resurfacing (1,800 lf)	Complete 2013	\$100,000
South Athol Road	Resurface portion of South Athol Rd. (2,100 lf)	Complete 2013	\$140,000
Chestnut Hill Road (Phase One)	Resurface portion of Chestnut Hill Rd. (1,600 lf)	Complete 2014	\$65,000
Partridgeville Road (Phase Two)	Resurfacing and drainage improvements (2,800 lf)	Complete 2015	\$200,000
Chestnut Hill Road (Phase Two)	Reclamation, resurfacing and markings (2.0 miles)	Complete 2015	\$800,000
Highland and Grove Street Improvements	\$250,000 in Chapter 90 funds partnered with \$900,000 in Community Development Block Grant for water, sewer, sidewalk, roadway and housing rehabilitation for at least eight units in the Grove and Highland street neighborhood.	Complete 2015	\$1.15 million
2015 Chapter 90 Program	Bearsden Road; South Athol Road; Cass Circle	Complete 2015	\$600,000
2016 Chapter 90 Program	Engineering underway for “five-points” reconstruction and capital planning for Exchange Street bridge reconstruction; Chapter 90 roadways to be determined.	Ongoing	\$550,000

Wastewater Infrastructure

The Town of Athol has a robust wastewater collection and treatment system currently permitted at 1.75 million gallons per day. The Town has existing capacity to accommodate the developments discussed herein as well as future growth. No major capital investment is required at this time although the Town does conduct ongoing maintenance, and inflow and infiltration projects, to maximize efficiency.

Water Infrastructure

The Town has primary water sources that are more than sufficient to meet current and projected demand. In 2014, the Town installed roughly 2,000 linear feet of new water line, a new booster station and a 225,000 gallon potable water storage tank to facilitate development of the North Quabbin Business Park. This \$3 million project is complete with funding provided through a local District Improvement Financing (DIF) program and state grants. In 2015, the Town completed repairs to a carbon filtration vessel for the South Street Well through budgeted water rates.

Municipal Facilities

Athol has historically been a very discerning community when deciding upon funding major capital projects. This conservative approach towards borrowing has allowed the municipal corporation to “live within its means”. Currently, the Town has two major capital projects to be bonded in March 2016 (school and water system expansion), but will soon pay-off the debt associated with the library expansion.

- 1) An \$8.5 million expansion and renovation of the Library was completed in 2014. The project was substantially funded through a state library commission grant with \$3.72 million in local debt-excluded revenue that will be paid-off in fiscal 2018.
- 2) Construction of a new \$43.9 million elementary school is moving ahead on budget and on schedule for a fall 2016 opening. This project is the primary subject of the upcoming general obligation bond. The Town will receive roughly 62 percent contribution from the Mass. School Building Assistance program up to \$26 million with local taxpayers covering the Town’s portion of costs via an approved debt exclusion.

[Note that local finance officials and taxpayers purposefully chose to limit borrowing for the Library project to a five-year issue with the express intent of avoiding long-term interest costs and retiring the debt on or about the advent of the school borrowing vehicle.]

The new library – and pending completion of a modern, consolidated elementary school – are tangible evidence of the will and desire of Athol taxpayers to support educational and cultural resources that will ultimately strengthen the entire community.

Community Development

Over the past several years, the Town has ramped up its partnerships with regional, state and federal agencies, as well as non-profit organizations, to develop programs aimed at improving education, neighborhood property values, and the delivery of social services to address some challenging issues facing Athol and the greater region.

Key to the local government’s involvement are the efforts of the Dept. of Planning and Development which serves to coordinate the Town’s participation in a myriad of programs and projects that have made significant cumulative improvements throughout the community. Following is a partial list of some initiatives sponsored or supported through the Dept. of Planning and Development:

- Coordinates Athol’s “Green Community” efforts
- Manages Community Development Block Grant (CDBG) programs

- Partnered with regional planning commission and Economic Development Industrial Corp. to drive District Improvement Financing district (DIF) approval for North Quabbin Commons
- Co-sponsored November 5, 2014 “Job Fair” at Town Hall
- Supports Downtown Vitality Committee
- Facilitates various planning initiatives including ongoing UMass Graduate Studio for downtown revitalization
- Provides technical support to Town’s Vacant and Abandoned Building Committee
- Manages North Quabbin Revolving Loan Fund which invested \$358,000 to 10-plus businesses in the region since 2012, including a new restaurant that opened in downtown Athol in 2015

A primary goal of community development is neighborhood revitalization and stabilization, and the success of the Town in securing federal CDBG awards has made a dramatic impact in several areas of Town. Since 1995, the CDBG program has helped to rehabilitate 174 units of housing at a cost of \$3.6 million.

The Tremont Street Neighborhood Improvement Project was completed in 2013. This project leveraged \$470,000 in CDBG funds with \$200,000 in local Chapter 90 match to complete:

- 700 linear feet of roadway resurfacing
- 640 linear feet of new concrete sidewalks
- Replacement of 930 linear feet of damaged or missing curbing
- 670 linear ft of water main replacement
- Construction of six new catch basins and three drainage manholes
- Installation of new drainage piping, new hydrant, retaining walls, trees, guardrails
- Rehabilitation of 12 housing units within target area

In 2015, a new CDBG brought \$1.15 million in combined resources to improve the Highland and Grove Street neighborhood as listed in the infrastructure table above. Also in 2015, the Commonwealth of Mass. and Athol DPW coordinated to complete the “Scenic Byway Access and Overlook”. This \$325,000 state-funded project demolished an unsafe structure and installed an attractive pocket park and access point to the Cass Meadow and Miller’s River from Canal Street in Athol’s urban center.

Looking Ahead

The Town of Athol is also actively engaged in advancing development and planning projects that will positively impact the community and the near- to longer-term future.

Athol-Royalston Regional School District Strategic Plan: was developed in 2015 by the community and school district with over 50 participants in each of the four-hour planning sessions, serving on multiple subcommittees and generating an action plan to be implemented by a new incoming superintendent. From a municipal perspective, strong schools are a hallmark of strong communities. The five-year plan will enhance educational offerings, provide a framework for predictable and sufficient funding, and seek greater family engagement in the educational experience.

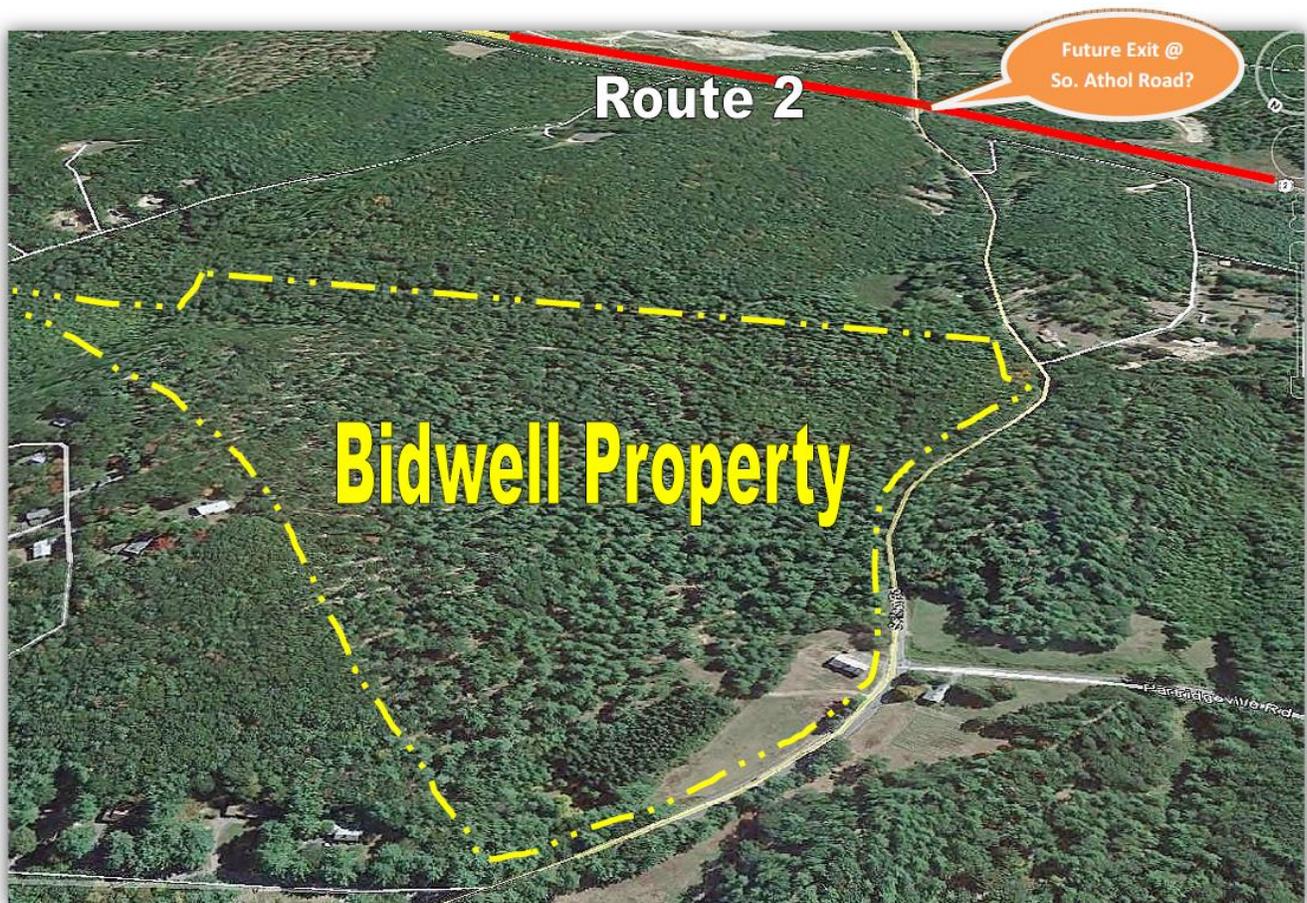
Athol Hospital Improvements – Heywood Healthcare has developed preliminary plans for 45,000 square feet of new construction on three levels to include: (1) a state-of-the-art emergency room, (2) private and handicapped-accessible in-patient care rooms, and (3) professional condominium suites to be constructed in 2016.

Union Twist Mill: L.P. Athol, in partnership with a private developer, has completed preliminary architectural plans for revitalizing a 360,000 sf former mill in the downtown into a mix of housing and other uses. The project will require subsidy through federal and state historic tax credits with application for same pending (likely construction 2017 – 2019).

Miller's River Greenway: a multi-year initiative with multiple sponsors, the proposed greenway would run alongside the Miller's River and connect the community centers of Athol and Orange. A \$2,000,000 transportation bond bill authorization is in place under the sponsorship of state legislators.

Athol Master Plan Update: this ongoing initiative through the Board of Planning and Community Development will update the 2004 Master Plan. In 2015, a comprehensive community survey was completed through the Dept. of Planning and Development with the updated plan targeted for completion in 2016.

"Bidwell" Property Reuse: the Board of Selectmen directed the Town Manager to begin research and to develop a report and strategy on potential beneficial uses of the 100-acre "Bidwell" property owned by the Town. This site is primarily developable upland located within a mile of a proposed interchange with state Route 2 (see photo below). The Town anticipates receiving approval through the Governor's Commonwealth Compact program in 2016 for state assistance to facilitate planning for this site with potential industrial, business park, institutional and recreational opportunities.



Town of Athol: "Bidwell Property" – view is looking south down South Athol Road towards Route 2.
Photo from Google Earth. Boundaries hand-drawn and approximate only.

Athol Town Manager

Private Sector Developments: as reported by the Dept. of Planning and Development, and Town Manager, some recent and emerging private development projects include:

- Marble Street Brewery – conversion of a 1920s mill building for a downtown brewery and tasting room (renovation started in 2015; open date estimated summer 2016)
- New retail services opened downtown – Millers River Hop Exchange, Quabbin Dental, D’Ambrosio Eye Care, Atholl House and Bon Appetit restaurants (complete)
- Family Pet Clinic on Templeton Road (Route 2A) (complete)

Further evidencing the emergent economy are valuation reports from the Assessing Dept. which demonstrate that a multi-year slide drop in property values bottomed out in FY14, and that property values have begun to rebound in successive fiscal years (FY15 and FY16).

Summary and Closing Thoughts

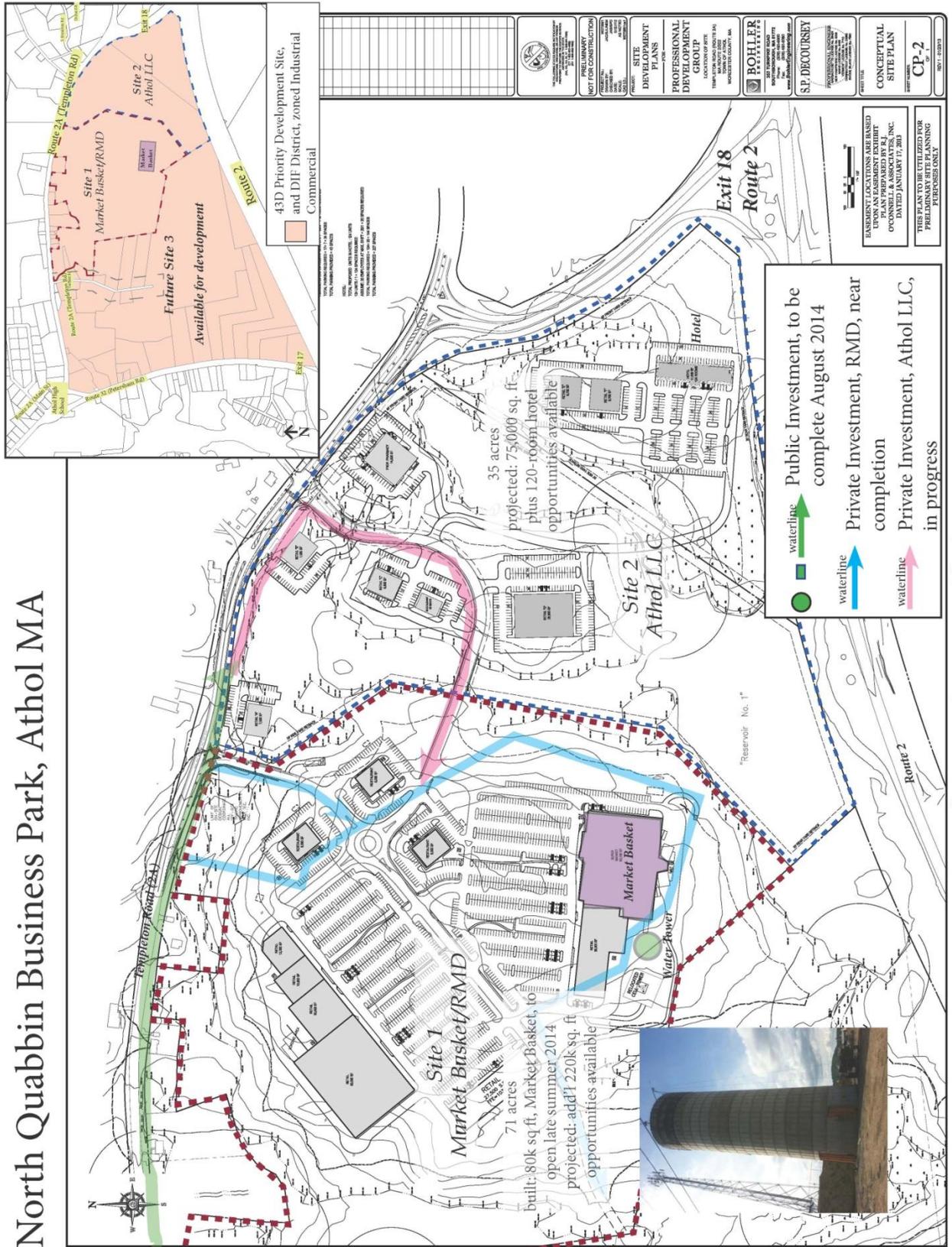
From a budgeting perspective, the above measures – and others – will grow and stabilize municipal revenues while simultaneously strengthening the local economy through greater employment opportunity and reinvestment of income in the region.

Athol’s fiscal management policies, together with close oversight by the “Finance Team” composed of the Town Manager, Town Accountant, Principal Assessor and Treasurer/Collector, will ensure that finances are managed in a sound, pragmatic and predictable manner to include regular reports to the Board of Selectmen, Finance and Warrant Advisory Committee and Town Meeting.

The resurgence of private investment, growth in employment opportunities and availability of affordable housing stock are harbingers of a sustained period of growth in the Town tax base and local economy.

Given the above factors, and the carefully monitored financial, debt and management policies to be discussed in the rating review, the Town of Athol’s credit-worthiness is deemed to be strong with a substantial favorable outlook over the next five years.

North Quabbin Business Park, Athol MA



note: water lines are approximate - conceptual drawing

June 2014